

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1973.

Approved May 24, 1973.

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CHAPTER 828  
(House Bill 1002)

AN ACT to add new Section 11-127 to Article 21 of the Annotated Code of Maryland (1972 Interim Supplement), "Real Property," title "XI. Horizontal Property Act," to follow immediately after Section 11-126 thereof; to require developers or sellers of condominiums, if they obligate purchasers of condominium units to deposit with them any sum of money prior to the completion and conveyance of the purchased condominium units, to place those moneys in [[an account with the registry of the circuit court of the county in which the condominium is located]] escrow accounts segregated from all other funds of the developer or seller; to provide for the disbursement of these deposits held in [[an account]] these accounts [[of the registry of the court, upon court order,]] when certain events occur; and to provide for penalties for violations of this Act; and relating generally to deposits by purchasers of new condominium units.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That new Section 11-127 be and it is hereby added to Article 21 of the Annotated Code of Maryland (1972 Interim Supplement), "Real Property," title "XI. Horizontal Property Act," to follow immediately after Section 11-126 thereof, and to read as follows:

11-127.

(A) IF THE PURCHASER OF A CONDOMINIUM UNIT, WHICH IS LOCATED IN THE STATE AND NOT COMPLETED AT THE TIME OF CONTRACTING THE SALE, IS OBLIGATED BY THE DEVELOPER OR SELLER TO DEPOSIT ANY SUM OF MONEY WITH THE DEVELOPER OR SELLER PRIOR TO THE COMPLETION AND CONVEYANCE OF THE CONDOMINIUM UNIT, THE DEVELOPER OR SELLER SHALL, UPON RECEIPT OF THIS SUM OF MONEY, DEPOSIT IT IN AN [[ACCOUNT WITH THE REGISTRY OF THE CIRCUIT COURT OF THE COUNTY IN WHICH THE CONDOMINIUM IS LOCATED]] ESCROW ACCOUNT SEGREGATED FROM ALL OTHER FUNDS OF THE DEVELOPER OR SELLER TO BE HELD TO ASSURE THE RETURN OF THE SUM OF MONEY TO THE PURCHASER IN THE EVENT THE PURCHASER BECOMES ENTITLED TO A RETURN OF THIS SUM OF MONEY.

(B) A PURCHASER'S DEPOSIT PLACED BY THE DEVELOPER OR SELLER IN AN [[ACCOUNT WITH THE REGISTRY OF THE COURT SHALL BE RELEASED AND DISBURSED FROM THE ACCOUNT, UPON PROPER COURT ORDER,]] ESCROW ACCOUNT IN ACCORDANCE WITH THE PROVISIONS OF SUBSECTION (A) OF THIS SECTION SHALL BE RELEASED AND DISBURSED FROM THE ACCOUNT ONLY WHEN ONE OF THE FOLLOWING EVENTS OCCURS: